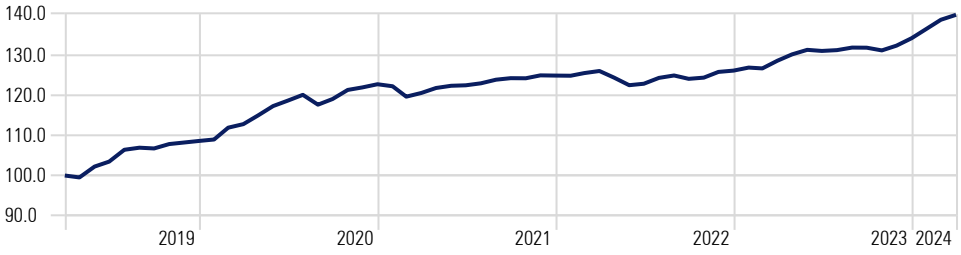
Bandhan Dynamic Bond Fund

Key Information

Morningstar Category	India Fund Dynamic Bond
Fund Size (INR bn)	23.4
Inception Date	12/3/2008
Annual Report Net Expense Ratio	1.61
Morningstar Rating Overall	★★★★
Manager Name	Multiple
Minimum Investment	1,000
Morningstar Medalist Rating	Neutral

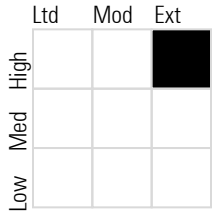
Investment Growth

Time Period: 4/1/2019 to 3/31/2024



Morningstar Style Box - Bandhan Dynamic Bond R

Morningstar Fixed Income Style Box™



Fixed-Income Stats

Average Eff Duration Survey	-
Average Eff Maturity Survey	27.1
Average Coupon	7.3
Average Price	101.0

Investment Strategy

Bandhan Dynamic Bond Fund's advantages include the tenacity of its lead manager Suyash Choudhary and a strong process that draws on the firm's robust macroeconomic and fundamental research. The fund has blossomed under Choudhary, who took the helm in October 2010. He is a seasoned manager of duration strategies. His strength lies in his in-depth understanding of the macro environment and his ability to anticipate interest-rate movements and identify attractive opportunities across market segments. He is at his best investing in an unconstrained manner. He manages most of the duration strategies of the fund house given his expertise in this domain, hence dependency on him is high. That said, the fund house has taken measures to mitigate key-person risk by hiring a dedicated economist and institutionalizing the investment process. It has built a separate macro research vertical within the team, which adds immense value to duration strategies.

Given duration is an integral part of the strategy, studying the macro scenario for taking interest-rate directional views forms the broader framework of the process. Interest-rate direction is determined by conducting a detailed analysis of influencing factors such as growth versus inflation, fiscal and current account deficit, private sector and government borrowings, fiscal and monetary policy view, money supply, currency market movement, and global interest-rate scenario, among others. This is complemented by an overlay of technical factors where the team examines the supply-demand dynamics to get clarity on valuations and the direction of the yield curve. Interest-rate direction calls and anticipation of yield curve movement form the basis of portfolio positioning in terms of duration. For corporate bonds, the team emphasizes the promoter group, its track record, and its corporate governance standards. Suyash Choudhary will not lend to a company facing corporate governance issues. Additionally, he looks at companies' competitive standing vis-ß-vis peers, practices, cash flows, liquidity profile, business, and financial risks, among others. The investment team takes a relatively long-term view and does not pay much heed to news flows. The view once formed is applied across fixed-income funds.

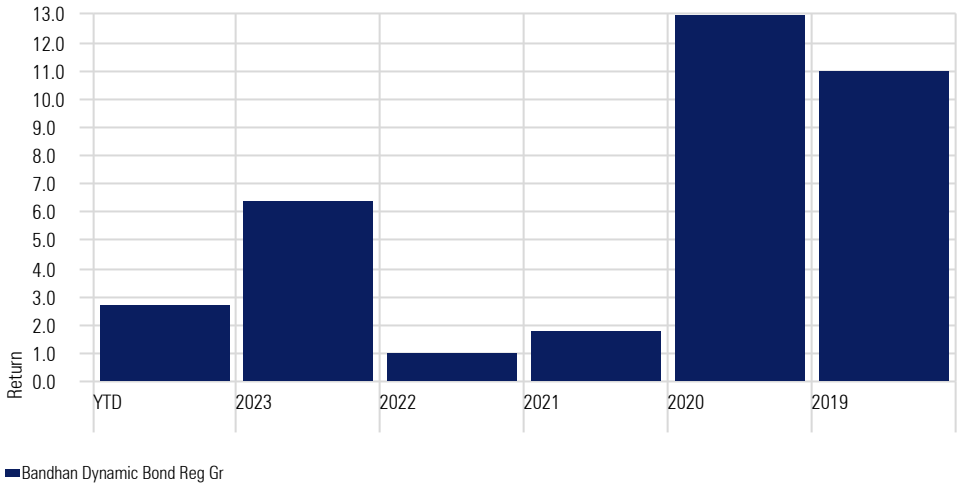
Safety and liquidity form the crux of portfolio construction. Taking credit bets is not a part of the strategy; this has enabled the fund to tide over credit risk more comfortably than some peers. Suyash Choudhary is at his best when he has a free hand, and pleasingly, the fund's strategy allows him to play to his strengths. He invests across the yield curve and segments: government securities, corporate bonds, and money market instruments. The team studies bond spreads and liquidity of various segments to determine their optimal allocations in the portfolio.

Trailing Returns

Data Point: Return

	YTD	1 Year	3 Years	5 Years	10 Years
Bandhan Dynamic Bond Reg Gr	2.73	6.50	4.45	6.75	7.69

Returns



Top Holdings - Bandhan Dynamic Bond Reg Gr

Portfolio Date: 3/31/2024

	Position Market Value (bn)	Portfolio Weighting %
7.3% Govt Stock 2053	20.9	89.23
7.18% Govt Stock 2037	1.9	8.19
Corporate Debt Market Development Fund Class A2	0.1	0.24
8.2% Govt Stock 2025	0.0	0.00
7.17% Govt Stock 2028	0.0	0.00

Source: Morningstar Direct